



Steven L. Beshear
Governor

Robert D. Vance, Secretary
Environmental and Public
Protection Cabinet

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Letcher County Water and Sewer District, Sewer Division
P. O. Box 827
Whitesburg, KY 41858

January 22, 2008

CERTIFICATE OF SERVICE

RE: Case No. 2007-00492
Letcher County Water and Sewer District, Sewer Division

I, Beth O'Donnell, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on January 22, 2008.

Executive Director

BOD/tw
Enclosure



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450 South Third Street
Louisville, KY 40202

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I, Beth O'Donnell, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on January 22, 2008.

A handwritten signature in black ink, appearing to read "Beth O'Donnell", written over a horizontal line.

Executive Director

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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF THE LETCHER COUNTY WATER)
AND SEWER DISTRICT FOR A CERTIFICATE OF)
CONVENIENCE AND NECESSITY TO CONSTRUCT A) CASE NO.
WATERWORKS IMPROVEMENTS PROJECT) 2007-00492
PURSUANT TO KRS 278.020 AND 278.300)

O R D E R

Letcher County Water and Sewer District ("LCWSD") has applied for a Certificate of Public Convenience and Necessity ("CPCN") for a waterworks improvement project at an approximate total cost of \$1,335,000. Having reviewed the application and being otherwise sufficiently advised, the Commission finds that:

1. LCWSD proposes to construct approximately 8 miles of 8-inch through 3-inch water distribution mains and related appurtenances to provide service to approximately 200 new customers.
2. This project will be constructed northeast of Whitesburg, Kentucky in the Crafts Colley area of Letcher County.
3. The construction is in the public interest and will provide water service to new users who currently rely on wells, cisterns, and springs for potable water.
4. LCWSD proposes to fund the project from the proceeds of an Abandoned Mine Land grant in the amount of \$660,000 and a Kentucky Coal Severance grant in the amount of \$675,000.
5. Bell Engineering, of Lexington, Kentucky, prepared the drawings and specifications for the proposed project.

6. The proposed construction does not conflict with services of other utilities operating in the area.

7. The proposed construction will not result in a wasteful duplication of facilities.

8. The Division of Water of the Kentucky Environmental and Public Protection Cabinet has approved the plans and specifications for the proposed project.

9. The public convenience and necessity require the construction of the proposed improvements.

IT IS THEREFORE ORDERED that:

1. LCWSD is granted a CPCN to proceed with the proposed construction as set forth in its application.

2. LCWSD shall notify the Commission prior to performing any additional construction not expressly authorized by this Order.

3. Any deviation from the construction approved shall be undertaken only with the prior approval of the Commission.

4. LCWSD shall furnish documentation of the total costs of this project including the cost of construction and all other capitalized costs (engineering, legal, administrative, etc.) within 60 days of the date construction is substantially completed. Construction costs shall be classified into appropriate plant accounts in accordance with the Uniform System of Accounts for water utilities prescribed by the Commission.

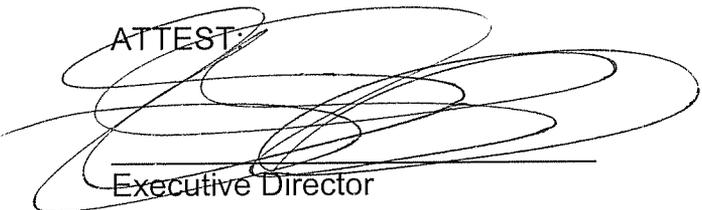
5. LCWSD shall file a copy of the "as-built" drawings and a certified statement the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.

6. LCWSD shall require construction to be inspected under the general supervision of a licensed professional engineer with a Kentucky registration in civil, electrical, or mechanical engineering, to ensure that construction work is done in accordance with the contract drawings and specifications and in conformance with the best practices of the construction trades involved in the project.

Done at Frankfort, Kentucky, this 22nd day of January, 2008.

By the Commission

ATTEST:



Executive Director